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# REPORT

OF

THE

## THE DIRECTORS

OF THE

### MONTREAL MINING COMPANY,

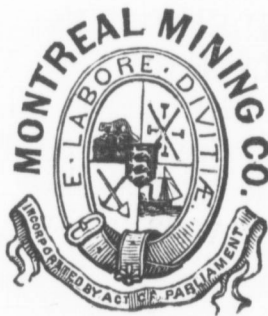
TO THE

STOCKHOLDERS

AT THE

### ANNUAL GENERAL MEETING,

20th FEBRUARY, 1856.



Montreal:  
PRINTED BY JOHN C. BECKET,  
AT HIS STEAM-PRINTING ESTABLISHMENT, GREAT ST. JAMES STREET.  
1856.

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# Montreal Mining Company,

INCORPORATED BY ACT OF PARLIAMENT.

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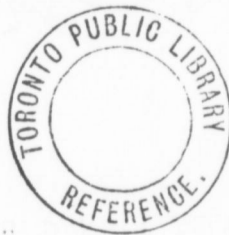
Capital—£300,000, in Shares of £5 each.

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## DIRECTORS:

JOHN CARTER, Esq., PRESIDENT.  
WILLIAM MURRAY, Esq., VICE-PRESIDENT.  
ROBERT ANDERSON, Esq.  
ANDREW MACFARLANE, Esq.  
G. W. CAMPBELL, Esq., M. D.  
J. H. WYNN, Esq.  
ALEXANDER CROSS, Esq.  
GEORGE E. CARTIER, Esq., M. P. P.



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## MONTREAL MINING COMPANY.

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The Tenth Annual Meeting of the Stockholders in the Montreal Mining Company, was held at the Company's Office, on Wednesday, the 20th of February, a large number of the Shareholders being present.

The President having taken the Chair, requested Mr. Handyside, the Secretary of the Company, to act as Secretary to the Meeting.

The President then read the Report of the Directors for the past year, together with the Report from E. B. Borron, Esq., Manager ; of the state, progress, and prospects of the Mine.

The Report of Messrs. R. Esdaile and A. Slaw, Auditors, was also read, accompanied by statement of accounts made up by Mr. Rufford their Accountant.

Messrs. Geo. D. Watson and Robert Esdaile, were appointed Scrutineers, to receive votes for the election of new Directors.

It was moved by Mr. M. H. Gault, seconded by Mr. Alexander Clerk,

"That the Report now read, be received, adopted, and printed."

Moved by Mr. E. L. Pacaud, seconded by Mr. Louis Renaud,

"That the sum of £150 be presented to John Carter, Esq., for his valuable services during the past year."

Moved by Mr. Robert Esdaile, seconded by Mr. George Moffatt, Junr.,

"That the Board be instructed to call a General Meeting of the Stockholders of the Company, for the purpose of taking into consideration the disposal of the Reserved Stock of the Company."

Moved by Mr. R. Muir, seconded by Mr. George Moffatt, Junr.,

“That the Bruce Mine Agency Account of £1,990 17s 10d, as recommended by the Auditors in their Report, be investigated, in order, if possible, to find out where it does not agree.”

Moved by Mr. Anderson, seconded by Dr. Campbell,

“That notwithstanding the unprofitable results up to the present period, of the Company's operations at the Bruce Mine, this meeting records its undiminished confidence in the management of Mr. Borron.”

Moved by Mr. M. H. Gault, seconded by Mr. H. B. Smith.

“That the thanks of the Stockholders are due and are hereby given to the Secretary for his valuable services during the past year.”

The Scrutineers reported that the new Directors elected were the

HON. GEO. E. CARTIER.  
TANCRED BOUTHILLIER,  
ROBERT MUIR.  
ROBERT ANDERSON, Esqrs.

G. D. Watson and D. L. MacDougall, Esqrs., were appointed Auditors for the ensuing year.

JOHN CARTER, Chairman.  
ADAM HANDYSIDE, Secretary.

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## REPORT OF THE DIRECTORS

OF

# The Montreal Mining Company,

TO THE SHAREHOLDERS

SUBMITTED AT THE

ANNUAL MEETING ON 20TH FEBRUARY, 1856.

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At the close of another year, the Board of Directors of the Montreal Mining Company, submit to the Stockholders a Report of the financial position of the Company.

The commencement of the year found their establishment at the Bruce Mines, by the unfortunate loss of their Steamer, without mining materials, without food for the horses, and without that assortment of merchandise for the store, from which the Company should have derived profit enough to pay the expenses of the staff, both at the Mines and in Montreal.

In the face of this disastrous position, the largest force ever yet assembled at the mine, was engaged for the winter at high rates of wages, it could not in any way be reduced, and a population of upwards of 500 souls had to be employed and supported, until the opening of the navigation in the Spring.

The Manager was obliged to purchase his powder and the principle mining materials, at the Sault St. Marie, at high prices, subject besides to a foreign duty. The horses had, in part, to be fed upon bread, which was daily baked for their use ; it is not, therefore, surprising that under these adverse circumstances, the Company should have suffered considerable loss ; indeed, the loss is not so much as some of the Directors anticipated, and

is only £951 12s 3d on the actual mining operations of the year.

Amount expended in Mining Operations.....	£11,687	8	2
Value of Ore on hand from last year.....	5,203	16	6
	£16,891	4	8
From which deduct Nett Proceeds of Copper Ore	15,939	12	5
	Leaves a Loss of	£951	12 3

The financial position of the Company, was fully set forth in the Report of the Committee of Investigation, presented to the Stockholders on the 28th March last, at page 12 printed copy, statement No. 5, a Balance appears against the Company,

31st December, 1854, of.....	£19,401	2	4
To meet which, Calls had been made of 11s. 3d. per Share.....	25,538	12	6
Showing a Surplus to the Credit of the Company of	£6,137	9	7
But from which should be deducted additional Loss on Goods uninsured per Steamboat Bruce Mine, and sundry accounts due by the Boat.....	£1,791	18	8
Written off "Loss by Scotch Miners".....	528	15	2
Difference in Valuation of Debts...	296	10	9
		2,617	4 7

Thus reducing the surplus of last year to..... £3,520 5 0

The Books, which have been carefully examined by Mr. Rufford, are balanced to the 31st December, 1855.

Showing our Liabilities to be, Bills Payable.....	£19,213	1	11
Accounts Payable.....	3,378	9	9
		£22,591	11 8
And available Assets to be.....	22,463	0	4
Showing a deficiency of.....	128	11	4
To which, if we add a surplus on last year.....	3,520	5	0
		3,648	16 4
Will make the Total Loss on the year to be.....	£951	12	3
And may be classed thus, Loss on Mining operations.....	£951	12	3
Charges and Expenses of Staff, Mines, and Montreal, £1,791 10s 11d; Less Profits on Store £423 3s, Rents of Houses £130 9s 1d, Total less £603 12s 1d.	1,187	18	10
Interest.....	1,227	8	2
Expense at Maimainse.....	281	17	1
		£3,648	16 4

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The Statements of Accounts and operations at the Bruce Mines were closed on the 3rd November, instead of 15th December as heretofore, it being found a more convenient period, or the above amount of Loss would have been still less by six weeks more profitable operations.

Mr. Borron, in his Report, enters so fully into the particulars of Mining operations, and the prospects of the Company, that the Stockholders have ample means of forming their own judgment upon the subjects he refers to. The Directors trust their is good foundation for that portion of his Report which states, that the working of the Mine has "done good" since 3rd May last, and they hope that by continuing the means adopted since that period, a fair profit will be realised for the year 1856.

Another source of disappointment during the past year, has been the nonfulfillment, by the Ore Dressing Company, of their contract to dress up the Scrimplings, &c., at the Mine. Although an extension of time was twice granted them to complete their machinery, yet, before it was in a complete state to do the work contracted for, they made a demand for property not understood or ever contemplated on our part in the agreement with them, they claiming to dress the property demanded for their own account, paying us the Royalty of one-tenth; this, Mr. Borron promptly refused, but to avoid all difficulties, if possible, Mr. Borron and the President met the Directors of the Ore Dressing Company at Toronto, to see if matters could not be so arranged as that, the Ore Dressing Company should proceed with their operations in fulfillment of the contract, but their demands were so inadmissible, that no satisfactory arrangement could be come to; they have now commenced an action against this Company in the Court of Chancery; their Bill of complaint was sent up to Mr. Borron for his information, and a very full and able statement has been received from him, which will, without delay, be placed in the hands of the Solicitor of this Company.

The Payment, soon to become due on the Lake Superior Locations, has received the attention of the Directors, and a *Memorial* has been prepared, and will shortly be presented to his Excellency the Governor

General, setting forth the great exertions this Company has made in developing the mineral resources of the Province, the large amount of money expended, the great losses incurred, and praying for a reduction in the price of their lands.

After so many difficulties and misfortunes, it is with peculiar pleasure, the Directors are enabled to lay before the meeting, Mr. Coatsworth's cheering and clever Report, accompanied by a very interesting map of his explorations on part of the Company's Location at Mainse, during last summer, a larger force will be sent there early in the spring.

The Directors have never ceased to urge upon the Manager, the necessity of economy in every department, and they trust he has now been able to reduce the establishment at the Bruce Mine, to within a moderate and safe limit. It will be their object to develop the resources of the property committed to their charge, whenever they can proceed with advantage to the Stockholders; in the interim, they will devote their best attention to the expenses of the Company, with the object of effecting their reduction, and to make them more consistent with the extent of their present operations, they rely on the continued confidence of the Stockholders, and trust the improvement in the prospects of the Company indicated during the past year, will be more satisfactorily confirmed at the next Annual Meeting.

The Directors retiring at this time are Messrs. McFarlane, Anderson, Cartier and Wynne, who go out by rotation.

All of which is respectfully submitted,

JOHN CARTER, *President.*

Montreal, 20th Feb., 1856.

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BRUCE MINES, 6th January 1856.

JOHN CARTER, ESQ.,

*President, Montreal Mining Company,*

DEAR SIR,

The result of the Mining operations carried on in the year 1854, proved even more discouraging than I anticipated, and not only occasioned a ruinous depreciation in the value of the Company's Stock, but impaired the confidence of many of the best friends and supporters of the Mine.

In the Report submitted to the Stockholders at their Annual Meeting in February last, I stated that the circumstances which most injuriously affected the returns of that year were those over which we had no controlling influence whatever, such as the extravagant rate of wages necessary to obtain men, the high price of materials of all kinds, the occurrences which delayed the arrival of our stores, &c., that spring, and, finally, the total loss of our steamer with almost all our fall and winter supplies on board. To these I may add another reason, since ascertained, namely,—that, unduly desirous of raising an increased quantity of Ore, we too rashly and prematurely increased the number of our miners, for there was not sufficient rich Ore ground laid open in the Mine whereupon to employ them all, and it was only in the richer stopes that under such adverse circumstances as those just alluded to, they could be employed advantageously; consequently many stopes were worked, as it afterwards turned out, at a loss. Stopes which, under a more favorable combination of circumstances, might have been worked profitably, and I have very little doubt will be so worked not many years hence, when the prices of labor and materials are more moderate, and works adapted for smitting Copper Ores spring up, (as they certainly will very shortly) on Lake Erie, if not on this Lake itself.

These circumstances are referred to as being very properly preliminary to our Report on the year just ended, inasmuch as it will at once be seen how that the same causes which operated to produce the loss sustained in 1854, continued to prevail with very little mitigation, for the first four months of the year 1855.

On the opening of the navigation, however, measures were taken to remedy as far as possible some of the difficulties under which we had been labouring; and it appears to me that from that time forward the Mine has not only paid its way, but done somewhat toward diminishing the loss inevitably sustained, on the operations carried on during the winter and spring. This is quite as much as I expected, and I am encouraged to believe that under the same system as that pursued during the latter half of the past season, we shall realize a fair profit from the Mine on the operations of the present year.

I shall now endeavor to give, under the usual heads, a synopsis of the operations for the ten and-a-half months which compose the season just ended, it having been thought better to close our Mining year at the end of October in future, instead of the middle of December as formerly.

#### MINING OPERATIONS.

On the 18th of January last, 106 Miners were employed underground. And, as explanatory of our position last winter, I may observe, that some thirty of these were Scotch Miners, who had been brought out the previous summer under an agreement by which they were guaranteed a high rate of wages for four years.

Another considerable portion of our force had, as usual, taken bargains, or contracts, before the close of the navigation, to be terminated only on the opening of the navigation the following spring, and all the rest were under engagement to us till the 3rd of March. Thus, when the intelligence reached us at Christmas of the loss of our Steamer, and when, afterwards, the making up of our Annual Accounts, together with communications from the Head Office, satisfied me that a complete change of system was necessary, I was not, as you will perceive,

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in a position, to act as decisively and promptly as I should otherwise have done.

On the 3rd of March, however, Captain Hodge, by my instructions, declined entering into any positive engagements as regarded time, with the men whose contracts had just then expired, and who would, under ordinary circumstances have taken till the first of May. They were simply permitted to work on, during our pleasure. This was done pending the action of the Stockholders at their Annual Meeting. The result of the Meeting in question, and information elicited thereat, did not reach me till the latter end of March, when I immediately ordered the bargains to be measured off and a large number of miners to be discharged, which was done accordingly. Thus the extensive "prospective," operations then going on, were restricted, and all the poorer stopes being suspended, we had only twenty-seven miners in the month of May, working on Tutwork, or by the fathom of ground cut.

After I had been to Montreal, and seen both the Board of Directors and the Stockholders, I thought that I could best carry out the wishes of all concerned, by introducing again, if possible, the tribute system. This system was tried in 1852-53 with partial success, and would have been continued, but for the extraordinary demand that existed at that time for miners; and other reasons you will find stated at length, in my report for the year 1853, pages 14 and 15.

Preparatory to the introduction of this system, and in view of a probable fall in the rate of wages, it became very desirable to terminate the arrangement with those Scotch miners whom we had not already succeeded in getting rid of. It was agreed, therefore:—That in consideration of their relinquishing all claim to the wages guaranteed to them for the next three years by their agreement, we would remit our claim to the three annual deductions which we were entitled to make from their said wages, on account of the expenses incurred in bringing them out from Scotland; and that, in future, they should work on the same terms and conditions as other miners. This settled, we intimated that after the 1st of July, no bargains would be let in the mine except

on tribute; in respect to which we would give every reasonable encouragement to those miners who were willing to take, under that system. As expected, some miners left us, but twenty-three, fourteen of whom were Scotch miners, took bargains at rates varying from five pounds to seven pounds ten shillings currency, per ton of 15 per cent dressed ore. The last mentioned miners had never worked copper ore on tribute before, and made trial of the system simply on our assurance, that the rates proposed would yield them excellent wages, if they only worked diligently, and took proper care of the ore. The result of about three months' actual work was that this little handful of men returned us 128 tons, 19 cwts, 3 qrs, 9 lbs of ore, containing on an average nineteen per cent of fine copper. This brought us nearly to the third of November, or close of last year's business.

The following is a statement of the ground cut from the 16th December 1854, to 3rd November, 1855.

Productive Work.		Fms.	Ft.	In.
Stoped on Tutwork (or by the Fathom).....	....	405	5	11
Stoped on Tribute (or by the Ton of Ore) say.....	....	64	0	1
Total Ground Stoped, ...		470	0	0

Prospective Work, laying open ground for future operations.

	Fs.	Ft.	In.
No. 1 Shaft has been sunk.....	6	3	0
Trial Shaft Do do .....	4	3	10
Winze at the bottom of 25 Fathoms Level, East of Scott's Shaft.....	4	1	8
Total Sinking.....	15	2	6
The Adit Level has been driven.....	4	4	0
The 35 Fm. Level, East of Scott's Shaft, Do.....	9	0	1
The 50 Fm. Do do do do.....	5	3	2
The 15 Fm. Level, South East of Trial Shaft,.....	2	1	8
Total Driving.....	21	2	11

The cost of the above Prospective Work, amounting in wages alone, to no less a sum than £905 17s 10d Cy.

In both No. 1 Shaft and Trial Shaft, the lode was large, and productive at the time of their suspension.

This brings me to the mining operations going forward at the present time, in reference to which I have to observe:—That encouraged by the result of their first

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bargains, the tributers not only took again themselves, but other miners who had previously kept aloof, were induced to "take" also, increasing the number of our tributers to thirty-six, who are settled to work for the winter, as follows:—

No. of Miners.	Place in the Mine.	Rate per Ton of 15 per cent Ore.
2	Stope, East of No. 1 Shaft, - - - -	@ £7 10 0
4	" West of No. 1 Shaft, - - - -	6 0 0
4	" East of Trial Shaft, - - - -	4 15 0
2	In Dodge's Stope, North of Trial Shaft, - - - -	7 10 0
4	Stope, East of Scott's S. Bottom of 10 Fm. Level - - - -	5 10 0
4	" West of Do do do do - - - -	6 10 0
2	" East of Do Bottom of 25 Fm. Level - - - -	6 10 0
4	" East of Ferriers Shaft, Bottom of do - - - -	6 10 0
2	" West of Do do do - - - -	7 10 0
4	" East of Engine Shaft - - - -	6 0 0
2	" West of Do Back of the 15 Fm. Level - - - -	6 10 0
2	" East of Meredith's Shaft, do 25 do - - - -	7 0 0

- 36 Miners working on Tribute, in addition to whom
- 4 Miners are engaged completing the Adit Level which is to lay open by next Summer the Stopes East of Prideaux's Shaft
- 2 Miners preparing to Drive the 35 Fathom Level, East of Scott's Shaft also with the view to opening up ground for future operations.
- 42 Miners in all, of whom 36 are employed in Productive Work, (raising Ore,) 6 in Prospective Work, (laying open Ore ground.)

The relative richness of the various stopes is shown by a comparison of the prices allowed to the tributers engaged in them. Instead, therefore, of entering into a detail of the estimated number of tons of Ore per fathom that each stope is supposed to be yielding; I think a clearer idea will be conveyed to the minds of the Stockholders by the simple statement, that each of the tributers is expected to raise, on an average, at least two tons per month of 15 per cent Ore. This makes the anticipated returns from the third of November last, to the first of July next, upwards of five hundred tons; all of which will, I hope, be dressed and ready for shipment by the end of July, or thereabouts.

I may mention, that the Tributers pay for all the materials used in mining the Ore, with the exception of timber and ropes; they haul their stuff to the surface, spall and prepare it for the crusher; fill and tram it down to the Crusher house, and pay the wages of the men engaged in dressing their Ore; and finally, they assist in turning, sampling and weighing their parcel

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when dressed. The Company, on the other hand, haul the water off the mine, furnish both engine and horsepower, and maintain the crushing and Ore-dressing machinery, in good repair.

This system tends not only to economise the consumption of materials, and to make the miners more careful of the ore; but diminishes considerably the number of labourers whom it is otherwise necessary to keep, both underground and on the surface.

Where circumstances admit of its introduction, I am satisfied that it is much preferable to the Tutwork system. I intend to persevere steadily in it during the ensuing year, and sincerely trust our efforts will at last be moderately successful.

#### ORE DRESSING.

In consequence of the loss of our entire stock of rollers on the Bruce Mine Steamer, the Ore-dressing operations were much impeded last winter; and must have been suspended altogether, had we not, with the assistance of a party engaged at Sault Ste Marie, erected a cupola furnace, and managed to cast for ourselves a few rollers and some toothed wheels, which were indispensable. Neither our success nor the cost was such as to encourage us to persevere in casting rollers for ourselves, after the opening of the navigation rendered it no longer necessary. Having comparatively a small number of miners at work last summer, Captain Hodge took charge of the Ore-dressing department, and by his usual unremitting attention succeeded in producing better samples of Ore than had been done by any of his predecessors. Jigging has been carried on last season during the day time only, instead of day and night as formerly. Where not absolutely requisite, the work is better done and with less waste of Ore during the day than at night.

The quantity of Ore dressed from 16th December, 1854, to 3rd November, 1855, a period of 10½ months, is 804 tons, 9 cwts 3 q. 9 lbs. The quantity of ore shipped has been 1079 tons, 9 cwts. 3 q. 9 lbs. There were 300 tons of dressed Ore on hand at the end of the year 1854, but a portion of this was re-dressed last season, and the quantity ultimately reduced to 275 tons. The different

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parcels of Ore dressed last year have yielded by my assay from  $14\frac{1}{2}$  to  $23\frac{1}{2}$  per cent of fine copper.

We are at present engaged in dressing Ore from skimpings. The Ore obtained is of a higher produce than that formerly got from the skimpings, being 15 per cent and upwards, but the quantity is, as might be anticipated, proportionately less.

As regards the Ore Dressing Company, I have merely to observe:—That after failing to complete their machinery within the time that *was specified* in the agreement, they claimed our skimping and slime ores on terms that *were not* specified in the agreement, and have concluded by taking us to law, because we are not disposed to submit to their unjust demands.

#### LOCATION.

We have had no occasion to increase the number of our dwelling houses, or to make any considerable outlay on this head during the past year. Last summer we reduced the rent of the dwelling houses twenty per cent, and bound the tenants to make all necessary repairs, and pay for all materials, with the exception of lime, which we supply when necessary. The new plan has worked well so far.

A violent storm in the month of April, threw down three of the smelting house chimneys, and did much damage otherwise to our Jigging House, wharves, and some of the houses. The repair of the damage done at that time constitutes the greater part of the sum at the debit side of Location account. Altogether, however, it shows a balance in its favour, this year, of £180 9s 1d Currency.

#### STORE.

As anticipated in my last Annual Report, we have suffered severely in the Store department by the loss of the Bruce Mine Steamer. It is on Dry Goods, Hardware and Groceries that our chief profit is made. And as these were all lost, Mr. Davidson had during the winter little or no stock to sell, from which to realize any considerable returns. He purchased some few supplies at the Sault Ste. Marie, but the sleighing was so very bad last winter, that he was not able to get many of the things down, until shortly before the opening of the navigation, and much that did come down had to be

brought with dog trains. What between the high prices which had to be given at the Sault, duties, and expenses bringing the goods down, a very slight margin was left for profit, on the business of the first half of the year; during the latter part of the season a better business was done. The apparent gain on this department for the ten and a half months ending 3rd of November, is £323 3s 0d.

This present year, if all be well, I expect Mr. Davidson will do a large business, and prove the advantage of being liberally supplied with goods of his own selection.

#### POPULATION.

From a census just taken by Dr. Simpson, I am enabled to state that the population resident at the mine is as follows :—

Men,	126,	of whom 80 are in the Company's service.
Women,	76	
Boys under 16 years,	85	of whom 8 are in do do.
Girls, do	79	

Together, 366 souls at the Bruce Mine.

#### AT THE WELLINGTON MINE.

Men,	30
Women,	19
Boys,	17
Girls,	17

Together, 83 souls at the Wellington Mine.

Total on the Location, — 449 souls.

The health of the whole community could hardly have been better, and it is with pleasure I can speak of the orderly and peaceable conduct of the inhabitants of both villages during the past year.

We have a Minister of the Gospel regularly settled at the Mine, and the Sabbath School and Library are still kept up; but there has been no schoolmaster at work in the place last summer, nor this winter; which is much to be regretted in a community containing nearly two hundred children. Might not the department of Public Instruction do a little for these children, if the matter were properly represented?

#### LAKE SUPERIOR LOCATIONS.

The discovery of an old Indian Digging at Mamainse in the fall of 1854, was duly reported to the Stock-

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holders. Thenceforward, that location, (Meredith's) became a point of great interest, not to ourselves only, but to all who are in any way concerned in the successful issue of mining, on the north shore of Lake Superior.

The Board of Directors having sanctioned the prosecution of further operations at Mamainse, on a limited scale, a party was organized immediately on my return from Montreal, consisting of four Miners and a voyageur.

The party set out for their destination on the 3rd of July, in charge of Mr. Joshua Coatsworth, who has been in the Company's service for three years, and in whose ability, as an explorer, I had full confidence.

Enclosed herewith you have a detailed Report of his operations during the ensuing three months, accompanied by a map, surveyed and drawn by him, particularly of that portion of the location to which his attention was more especially directed.

I may observe, generally, that the result of the operations and explorations carried on at Mamainse, during the past summer, has been highly satisfactory. The largest piece of Native Copper obtained in 1854, was about 9lbs. in weight. Last season in sinking on the Indian Digging Lode, the size of the masses of Copper rapidly increased, till at the depth of eighteen feet only, a mass was obtained, weighing no less than 630lbs., and, altogether, upwards of 1000lbs. weight of pure Native Copper was taken out before the Shaft had attained its present depth of twenty feet. When our party left off working, there was another mass or piece of Copper making its appearance, on the East side of the Lode; but whether it may turn out a large mass or not, no one can predict, from the small piece as yet exposed to view. It is only right to state in reference to this Lode that it has always been very small from the surface downwards, and is so at the present moment. No person would suppose from its appearance that such large masses of Native Copper would be found in it. Moreover the ground is hard and difficult to work.

Mr. Coatsworth discovered several new and interesting Lodes, some of which carried Ore, and others Native Copper; but the most important is another Indian Digging which he found, a short distance to the North-East

of that previously discovered. This "Digging" is situated on an entirely different Lode to the other; but the Miners who had only engaged for three months were so desirous of leaving, that Mr. Coatsworth was only able to make a very partial opening on one end of the old Trench, apparently made by the Indians. This opening had not attained a sufficient depth to enable me to form a decided opinion, as to how far it may be productive in Native Copper, or indeed whether it will bear Native Copper at all. But judging from the size of the Lode, (which is from three to four feet in width) from the regularity of the walls, and from the mineral soils, largely impregnated as they are with the green carbonate of Copper; I am strongly persuaded that if it carries Native Copper as we sink deeper, it will prove the most valuable discovery yet made on the location. Like many other Mines on the South Shore, silver is found associated with the Native Copper, but in no great abundance as yet.

After my visit to Mamainse in August, and from which I returned here on the 1st of September, I felt anxious to continue on our operations throughout the winter; but limited as I was to an expenditure of about £300, I hesitated in making any positive arrangements to do so, until I had consulted you on the subject. This and the further delay entailed by my journey to Toronto, in expectation of meeting with and consulting other members of the Board, lost us the greater part of the month of September. When I got back to the Mine, I engaged a strong building party, and started off with them myself as quickly as possible, to put up the necessary houses for a winter mining party, which I intended should be composed of a Mine Captain, and eight Miners. We experienced some difficulty and delay in getting up our oxen and materials for the houses, for want of a suitable vessel. A good squared log house was, however, put up for the Captain of the Mine, and a Boarding-House for the men, also a Blacksmith's shop and shanty. The carpenter returned with his party about the 9th of November. Captain Hodge, in charge of the Mining party, left this on the 2nd November, but was detained seven days at Sault

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St. Marie, waiting for the vessel with which arrangements had been made to take him up to Mamainse.

Unfortunately, when he did sail, the vessel ran ashore on the American side, during a snow storm, and was so much damaged as to be unable to proceed on her voyage. A portion of the winter stores and provisions on board were injured, and some destroyed altogether; but our loss on these will not amount to more than £30. If, however, we take into calculation the wages of the whole Mining party, from the time they started until the time they returned, our pecuniary loss will be upwards of £100. This, however, is of less consequence than the loss of time entailed on us by this accident, for Captain Hodge being unable at that late season, to procure another vessel, was obliged to abandon all idea of going up, and hastened to return here before the close of the navigation. Everything will be ready, however, for an early start next summer, to be afterwards prosecuted steadily through the winter, if the Mine only continues to improve as it has hitherto done. The cost of last summer's operations was £281 17s 1d.

I cannot conclude under this head without mentioning that we are under deep obligation to Mr. Wilson, Collector of Customs at Sault Ste. Marie, for services rendered on many occasions, but more particularly on this. When, besides assisting in securing our property, he, at no little risk and severe personal exposure, succeeded in bringing down here the men who had been left at Mamainse, waiting the arrival of Captain Hodge.

#### WELLINGTON MINE.

The spirited Company to whom the lease of our west end has been now assigned, are progressing finely with their works. A substantial Engine House of stone has been built, and a Jigging House, 100 feet by 50, constructed of wood; sixteen dwelling houses have been erected, together with an office; blacksmith's shop, carpenter's shop, warehouse, powder house, stables, &c., &c. An extensive wharf has also been completed. They have 49 men and 12 boys employed at present; of these 23 men are Miners. The new Lode discovered on their sett a short time ago, is situated about 200 fathoms north

of the Lode previously known and worked. It has been uncovered for 20 fathoms in length, and stoped upon to some extent during the last two months, and is thought to have produced 60 tons of 15 per cent Ore in that time.

The Lode has been traced a considerable distance in our direction, and will, I believe, ultimately turn out to be one of our Main Lodes.

The quantity of rough Ore already raised by the Company will, it is expected, produce, when dressed, 600 tons of 15 per cent Ore.

As regards the Ore Dressing department, this is only just getting fairly under way. The engine and crusher have been in place, for some time, and do good work. Several of the jiggs are in operation, and the remainder will be set agoing in a few days. Altogether, no pains or expense is being spared to make not only the Machinery, but the whole works as complete and efficient as possible.

The best understanding prevails between Mr. Morcom the manager of the Wellington mine, and myself, in respect to the employment of each other's workmen, and other matters involving the welfare of either or both of our Establishments.

#### PROPERTY.

We are well supplied this winter with stores and materials, the stock of which, on the third of November, was as follows :—

Store Goods, Provisions, Hardware, Dry Goods, &c., &c.....	£4,837	5	8
Materials, unissued in Warehouse, as per List.....	3,076	12	8
<b>Total Amount of Store Goods, and unissued Materials.....</b>	<b>£7,913</b>	<b>18</b>	<b>4</b>

This is exclusive of the materials, tools, and utensils already issued and in use, as also of machinery, buildings, wharves, and other improvements, of which no valuation has been made. All the Mine Stuff, or rough Ore belonging to last season, was dressed up and shipped to Buffalo, on the St. George Schooner. We have, therefore, no stock, either of rough Ore, or dressed Ore, to take account of on the third of November. The Skimpings and Slime Ores, though of considerable value, have not usually been taken into stock in former years,

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and therefore I have abstained from doing so on the present occasion.

In conclusion, I have simply to observe, that in looking back on the past, and forward to the future, I am persuaded the Company has now seen its worst days, and that if its affairs are only conducted with ordinary prudence, better times are close at hand.

I am happy in being able to speak in terms of commendation, of the manner in which all the officers of the Company have performed the duties of their several departments.

And have the honor to remain, Sir,

Yours most respectfully,

E. B. BORRON,

Manager.

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**DR. Statement of the Affairs of the Montreal Mining Company, on the 31st December, 1865. CR.**

To Real Estate, Bruce Mines, 67,749 6 4

To Locations, Lake Superior, 13,947 6 8

By Stock Account.....

" Bills Payable, S. L. J. N. A. C. O. C.

£166,926 0 3

